

Distinguished Panel: Food & Energy: Expectations & Realities

INTRODUCTION by Moderator: Sara Wyant President, Agri-Pulse Communications

MODERATOR (SARA WYANT): I'm Sara Wyant, the president of Agri-Pulse Communication, and it's my pleasure and honor to welcome you to the Annual Outlook Forum focused on Global Agriculture and Rural America in Transition.

As you know, this is a very timely theme. We've got a new administration in town, many new lawmakers, and our new Secretary of Agriculture Tom Vilsack who you heard from this morning.

Change is a very exciting thing for people like me and our small team at Agri-Pulse. We thrive on talking to those who are making these kinds of changes and then trying to communicate to people like you what this all means via our newsletter and multi-media and website communication tools. But I have to admit to you this morning that I've not always been comfortable with some of the changes that I've witnessed taking place across this countryside.

And as I was preparing for this meeting, which is in its 85th year, I thought back to some of the lessons about change that my father, who just recently celebrated his 88th year, tried to teach me about change. Now, as some of you know, I grew up in Iowa County, Iowa. So you're going to have more than your full share of Iowa stories this morning after hearing from the Secretary. I'm the youngest of four children, and some of my fondest memories are related to the times I spent driving around the fields with my dad.

And after a big spring rain one day, we climbed into our white Ford pick-up and decided to drive around and see how the crops had fared after that big rain. And I was probably about 12 years old. I listened intently as he was talking about the drainage in different fields and how the yields were expected to be for that year and what he expected for prices. But then he turned to a different subject, and in addition to the crop check he started to talk about the nearby farmsteads and the families and how some of them would have to make big changes in order to survive.

Now one neighboring family had four boys and what I thought was a fairly large cattle operation for the time, only about 200 head. But Dad told me that three of the four children would probably have to go get jobs somewhere else. There just was not enough scale in that operation, unless they grew or diversified, to provide significant income.

Another family would probably be gone soon because they only had a handful of hogs and not enough income to keep making their mortgage payments.

And as he talked about these changes, my heart just sank. First of all, I realized that being 12 there was some possibility that a parent could actually be right. Now that wouldn't happen if I was 15 or 16 when he was trying to teach me these lessons, when you realize

no parents make any sense at that age. But secondly, this was my bus route, and all I could think about were the school-mates who would no longer be riding on my bus, and seeing a bunch of run-down and vacant homesteads. And it was just a very depressing situation.

I asked my father why he was painting such a bleak picture for my future. And he told me that change was inevitable, and no amount of worrying and whining and wishing was going to make it go away.

It was how I was going to deal with those changes that were going to be the true test of my character. Now it's a very good message and one that I probably didn't fully comprehend until I started to understand all the changes that he had witnessed in his lifetime, all the terrific changes that we've seen in American agriculture. Here he was, a man born in the early 1920s, who started when real horses did the work. He watched his own parents lose their farm and move to California to find work during the Great Depression. He'd been through a lot of change in his very early years. And then he later returned to farming back in Iowa after saving dollars earned from his service in the Army, and witnessed some of the grandest technological advancements in the history of agriculture.

Consider this: the commercialization of hybrid corn; new crop inputs for protection chemicals and fertilizers; the development of new machinery, tools like our first self-propelled combine that didn't have a cab on it yet, but it made it a lot easier and quicker to harvest the crop each fall. And although he doesn't drive the machinery anymore, he still marvels at all the biological and technological advancements that he's witnessed.

Average corn yields on his farms have more than tripled, tripled from the time that he started farming. And everyone who eats benefits from that kind of productivity because today's farmer, as many of you know, provides food and fiber for about 144 people compared to just 19 about the time that he started farming.

Of course it's not only food that we are producing on those farms. The end products are being used in a multitude of ways, whether it's disposable products, food ingredients, exports to people around the globe, feeding livestock, fueling vehicles in our quest for energy independence.

And you know, those farmsteads that he predicted would be empty, he was right, especially during the 1970s and the 1980s, and many of you remember what a tough time that was.

But now as we near the end of another decade, we're seeing a different kind of change, a rural renaissance of sorts. Some of the folks who couldn't wait to move to the big city to find work are now finding peace, quiet, and a quality of life in rural America. And even more importantly because it's hard to enjoy that peace and quiet and quality of life unless you have a job, they are finding prosperity. As Secretary Vilsack mentioned this morning,

we've seen a tremendous increase in the number of small farms as it was reported in the most recent census.

And with access to off-farm jobs, the Internet, and some of USDA's Rural Development programs providing value-added opportunities, we're seeing all sorts of new businesses spring up. Some of those farmsteads that were vacant, now there's rebuilding and people moving back. And I'm happy to report there's even a new generation of the Wyant family coming back to the farm, my niece and nephew, this time as part of a winery operation that they've built.

So I don't have a crystal ball this morning to tell you exactly what kinds of changes we're going to see in our lifetimes, but I know there will be plenty, and I know they will not be without controversy.

Now our distinguished panel this morning is charged with presenting their views on a topic that's generated a lot of heated discussion over the past year: food and energy. And they are charged with shedding light on some of the changes that are unfolding in the areas of biotechnology, food marketing, pricing, energy and food aid. So I'd like to encourage each of you to look at your folders for the more extensive biographical information. And I'm going to give you a brief bio as each of them get up for their presentation.

I'd also like you to write down questions, and I hope we have time afterwards so that you can have your own chance to ask whatever is on your mind about these pressing issues.

So our first speaker for our plenary session this morning is Michael Mack, the chief executive officer of Syngenta, one of the world's leading biotechnology companies. Some of you might have met him when he was head of Crop Protection for the National Region and later chief operating officer of the Seeds Division from 2004 to 2007. Prior to that he worked for a French Mining and Pigments concern and also held various roles with Mead Corporation. He has a degree in economics from Kalamazoo College in Michigan, studied at the University of Strasbourg, and an MBA from Harvard University.

Please help me welcome from Switzerland, Michael Mack.

[Applause]